



U.S. Rep. Elton Gallegly

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Facts on Health Care Reform

- 17% of the U.S. economy is based on health care. Reforming health care will have a substantial impact on families, businesses, jobs, and our economy.
- The cost of health care is so high for many reasons, including:
 - ♦ Unnecessary tests due to frivolous medical malpractice claims.
 - ♦ We are living longer because of major advances in research and development.
- I support making sure all Americans have access to affordable health care, including:
 - ♦ Tax credits that will help low-income people purchase health insurance that fits their needs.
 - ♦ Reducing frivolous medical malpractice claims. Not only are malpractice insurance costs passed onto the patient, but too many doctors order unnecessary tests because they are afraid they will be sued if they don't.
 - ♦ Legislation that would allow small businesses to join together to purchase group health insurance for their employees.
- The non-partisan Congressional Budget Office has concluded that both the House and Senate bills would increase the federal deficit and hurt the economy.
- Even after the deal House leadership struck with moderate members of the majority party, the bill will cost taxpayers at least \$900 billion over 10 years.
- It will also increase taxes on approximately 70% of small businesses.
- Small businesses employ half of all workers in the United States. Small businesses also create up to 80% of all new jobs.
- Under the current proposal:
 - ♦ A business that offers health insurance would be required to pay up to 72.5% of the cost of premiums (today, some businesses pay less than 72.5% of the cost of premiums).
 - ♦ A payroll tax of up to 8% will be imposed on businesses that can't afford to offer health insurance.
- Economists agree these mandates would discourage employers from hiring new workers or increasing wages.
- Taxpayer subsidies will be provided for families who make up to 400% of poverty level (\$43,420 for an individual and \$88,200 for a family of four).

- There is a tax penalty of up to 2.5% for individuals who choose not to buy insurance. But that person would still be able to buy health insurance later, even with a preexisting condition. For example, someone who makes \$100,000 a year could decide to pay the \$2,500 a year penalty, buy insurance when he needs it, and then drop it again later.
- The current proposal also would include a government-run health care plan. Because the government would initially lower the cost of premiums, one study concluded that **more than 114 million Americans would lose their current coverage.**
- The plan also cuts Medicare Advantage plans, which many seniors rely on for health care.
- The bill provides de facto health care for illegal immigrants because the majority party defeated amendments that would provide verification to screen out illegal immigrants.